

# Indiana Department of Revenue

## Offer in Compromise

### What is required to apply for an Offer in Compromise?

- Complete a Financial Statement, form FS-OIC.
- Must be current with all tax filings.
- Any Bankruptcy filings must have already been discharged or dismissed.

### Who *may* qualify for an Offer in Compromise?

- Taxpayers who are facing financial difficulties due to:
  - Terminal and/or critical medical illness within the immediate family.
  - Personal devastation resulting from a natural disaster or an uncontrollable event.

### What the Offer in Compromise *can not* do for you....

- Cancel your outstanding liabilities with no payment.
- Leave your liabilities on hold indefinitely.
- Release a professional license, permit, or tax lien on any type of property until the full amount due, or compromised amount if agreed to, is paid in full.
- Intervene when a legal action has been filed, such as wage garnishment, bank account levy, collection suit, or court ordered appearance.

### What the Offer in Compromise can do for you?

- The Department can agree to settle for a lesser amount with a compromise agreement that is signed by all parties involved.
- Accept a one-time lump sum payment to satisfy your liabilities in full.
- Accept a short payment plan with a down payment to satisfy your liabilities in full.

### **Attention: Your application can be rejected for the following reasons:**

- Advanced collection proceedings: If a legal action has been filed (i.e. levy of wages and/or bank account, collection suit, or appearance in court).
- Past and/or Present income levels.
- Information listed on the Financial Statement: Failure to provide verification of all income, accounts, and expenses must be submitted for the current month and previous three (3) months.
- Failure to submit the following required documentation:
  - A Letter of Circumstance answering in detail what prevented you from paying the taxes when they were due and what is preventing you from paying the full amount now.
  - A medical statement from your physician detailing the diagnosis and prognosis of your and/or a family members medical condition(s), if applicable.
  - Incomplete, illegible, and/or unsigned Financial Statement.
  - Bankruptcy Discharge or Dismissal notice, if applicable.
  - If an Offer in Compromise has been submitted and/or agreed to by the IRS, a copy of the application and documentation from the IRS showing their decision. This documentation must include the amount due, amount offered, and the amount accepted.
  - If you are a current or recently out-of-state resident, copies of the state tax return filed for the last three (3) years that was filed.

- Copies of the federal tax return filed for the last three (3) years, including all pertinent schedules
- If a corporation:
  - The last three (3) years of corporate returns or financial statements.
  - Proof of borrowing power.
  - Each owner/officer must provide a completed Financial Statement.
- Any required tax filings not on file with the Department, both individual and business.

**Offer in Compromise instructions:**

- All pertinent information must be completed on the Financial Statement
- If a payment plan is being requested, a specific down payment and monthly payment amount must be requested.
- **Please note: the down payment must be received with the Offer in Compromise.**

**Please note:** *If accepted into the Offer in Compromise program, you will be required to sign a legal and binding Compromise Agreement. If all parties have agreed to a payment plan for the compromised amount, your case may be reviewed periodically and you will be required to update **all** information previously submitted to this office. **You must file all future returns on time and any amount due must be paid timely. Failure to do so will result with your payment plan being cancelled, your case closed, and normal collection pursuit resuming.***

Contact us at:

Office of the Taxpayer Advocate  
 Indiana Department of Revenue  
 P.O. Box 6155  
 Indianapolis, Indiana 46206-6155  
 (317) 232-4692

[www.in.gov/dor/taxforms/fs1.html](http://www.in.gov/dor/taxforms/fs1.html)



**FS-OIC**  
SF# 50112  
(R/5-07)

## Indiana Department of Revenue

### Offer In Compromise

#### Financial Statement for Offer in Compromise

Please refer to pages 1 and 2 of this document to determine your eligibility and the requirements for this program. Your failure to follow all instructions provided and submitting all required documentation will result with your application being rejected. You will be notified within 15 to 20 working days, or less, if you have been accepted into or rejected from the Offer in Compromise program.

#### Personal Information

Name	Spouse's Name
Social Security Number:	Spouse's Social Security Number
Address:	Address:
City, State, Zip:	City, State, Zip:
Home Telephone Number: (      )	Home Telephone Number: (      )
Cell Phone: (      )	Cell Phone: (      )
Date of Birth:	Date of Birth:

#### Dependents

Please list the name, age and relationship of all dependents who live with you.

Name	Age	Relationship

#### Employment Information

Your Employer's Name:	Spouse's Employer's Name:
Years Employed:	Years Employed:
Address:	Address:
City, State, Zip:	City, State, Zip:
Phone Number: (      )	Phone Number: (      )

#### Bank Account(s) Information

Please include all checking, savings, credit union accounts, Certificates of Deposit, and list safety deposit boxes held by you, your spouse and dependents.

Type of Account	Financial Institution Name	Account Number	Present Balance

**Schedule 1****Monthly Income Information**

Your net pay .....\$ \_\_\_\_\_  
Your spouse's net pay .....\$ \_\_\_\_\_  
Rents paid to you (list property rent is being derived from).....\$ \_\_\_\_\_  
Pensions .....\$ \_\_\_\_\_  
Social Security Benefits .....\$ \_\_\_\_\_  
Social Security Disability .....\$ \_\_\_\_\_  
Profit from your business (**must attach Federal Schedule C, E, F or any other pertinent schedules**) ...\$ \_\_\_\_\_  
Commissions .....\$ \_\_\_\_\_  
Alimony/Child support received .....\$ \_\_\_\_\_  
Welfare/Food Stamp assistance .....\$ \_\_\_\_\_  
Other income (please list source) .....\$ \_\_\_\_\_  
**Total Monthly Income** .....\$ \_\_\_\_\_

**Schedule 2****Monthly Expenses Information**

Rent .....\$ \_\_\_\_\_  
Mortgage .....\$ \_\_\_\_\_  
Alimony/Child support paid .....\$ \_\_\_\_\_  
Groceries .....\$ \_\_\_\_\_  
Electricity .....\$ \_\_\_\_\_  
Heat (oil, gas, etc.) .....\$ \_\_\_\_\_  
Water/Sewer .....\$ \_\_\_\_\_  
Telephone .....\$ \_\_\_\_\_  
Transportation (gasoline, bus fare, etc.) .....\$ \_\_\_\_\_  
Medical Expenses (physician's bills, medication **not** paid by insurance) .....\$ \_\_\_\_\_  
Insurance Cost -  
    Automobile .....\$ \_\_\_\_\_  
    Health/Hospitalization .....\$ \_\_\_\_\_  
    Life .....\$ \_\_\_\_\_  
    Homeowner's/Renter's .....\$ \_\_\_\_\_  
Total cost of insurance (auto, health, life, home, rental, etc.) .....\$ \_\_\_\_\_  
Total cost of credit card payments (list card information on Schedule 3) .....\$ \_\_\_\_\_  
Total loan payments (list loan information on schedule 4) .....\$ \_\_\_\_\_  
Other expenses (**please itemize and explain below**) .....\$ \_\_\_\_\_  
**Total Monthly Expenses** .....\$ \_\_\_\_\_

**Other Expenses**

Itemized Monthly Expenses and Explanations (attach additional sheets as needed)

**Schedule 3****Credit Card Information**

List all credit card, lines of credit, and check overdraft protection held by you, your spouse, and/or your dependents (attach additional sheet as needed)

Name	Credit Limit	Balance Due	Expiration Date

**Schedule 4****Loan Information**

List all loans that are currently outstanding

Name of Financial Institution	Amount of Payment	Balance Due

**Schedule 5****Motor Vehicle Information**

Year	Make/Model	Financed Through	Current Value

**Schedule 6****Real Estate Information**

Address	Financed Through	Current Value

**Other assets**

List other items that you, your spouse, and/or your dependents own or are currently buying (i.e. stocks, bonds, boats, furniture, jewelry, mechanics tools, RV, etc...)


If you are currently living with another individual, family or friend, and are paying no monthly expenses, that individual must read and understand the statement below and then sign and date this form.

Under penalties of perjury, I declare that the named individual(s) on this Financial Statement are currently residing with me and pay no monthly living expenses.

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

### Additional Information

### Offer In Compromise Information

List below your offer in compromise and the payment thereof.

Compromise amount: \$ \_\_\_\_\_ Paid in full within: \_\_\_\_\_ days

Down Payment: \$ \_\_\_\_\_ Monthly Payment: \$ \_\_\_\_\_

Please explain how you determined these figures:

Under penalties of perjury, I declare that this statement of assets and liabilities and all other information included in this document or attached thereto are true and correct to the best of my knowledge and belief. I authorize the Indiana Department of Revenue to verify any and all facts included in this document.

\_\_\_\_\_  
Your Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Spouse's Signature

\_\_\_\_\_  
Date